

147 FERC ¶ 61,134  
UNITED STATES OF AMERICA  
FEDERAL ENERGY REGULATORY COMMISSION

Before Commissioners: Cheryl A. LaFleur, Acting Chairman;  
Philip D. Moeller, John R. Norris,  
and Tony Clark.

USG Pipeline Company, LLC

Docket Nos. TS12-2-001  
RP12-300-001

ORDER GRANTING CLARIFICATION AND DISMISSING REHEARING

(Issued May 20, 2014)

1. In this order, the Commission grants a request for clarification by USG Pipeline Company, LLC (USG Pipeline) of the requirement in the Commission's order issued in this proceeding on June 11, 2012<sup>1</sup> for USG Pipeline to file Form 3-Q reports for 2012. Additionally, as we are granting the requested clarification, we dismiss USG Pipeline's request for rehearing as moot.

**I. Background**

2. Prior to January 5, 2012, USG Pipeline's operations were limited to transporting natural gas over its 15-mile long interstate pipeline to a single customer, US Gypsum Company (US Gypsum), pursuant to a Part 157 Service Agreement. It then began offering Part 284 open-access interruptible service to the Cooperative District for Northern Alabama (Northern Alabama) and later commenced offering firm, Part 284 transportation service to Northern Alabama and US Gypsum (which switched over from Part 157 Service to Part 284 Service).

3. On January 9, 2012, USG Pipeline filed a petition for continuation or modification of existing waivers of the Commission's regulations. USG Pipeline explained that, prior to these changed circumstances occurring, it had been granted certain waivers based on its providing service to only one affiliated customer pursuant to the Part 157

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<sup>1</sup> *USG Pipeline Co., LLC*, 139 FERC ¶ 61,202 (2012) (June 2012 Order).

transportation agreement. In addition, USG Pipeline noted that it had been excused from other requirements that have not yet been triggered by events.<sup>2</sup>

4. Specifically, USG Pipeline asked the Commission to continue its waivers of: (1) the Commission's Standards of Conduct requirements including its separation of function and no-conduit rules; (2) requirements related to the operation of an Electronic Bulletin Board (EBB);<sup>3</sup> (3) accounting and reporting requirements in Parts 201 and 260;<sup>4</sup> (4) waiver of the requirement to offer segmentation;<sup>5</sup> and (5) an extension of time to comply with certain NAESB WGQ Version 1.9 Standards.<sup>6</sup>

5. In the June 2012 Order, the Commission granted USG Pipeline's request for a partial waiver of the Commission's Standards of Conduct requirements, including its separation of function and no-conduit rules and information sharing prohibitions.<sup>7</sup> The Commission also continued USG Pipeline's current waivers related to its use of a website, in lieu of installing a fully operational Electronic Bulletin Board, and granted it a partial extension of the timing requirements for posting information regarding any revisions to firm service and release transactions.<sup>8</sup> Further, the Commission granted USG Pipeline a continuation of waivers and an extension of time to comply with the NAESB WGQ Version 1.9 Standards promulgated by Order No. 587-U.<sup>9</sup>

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<sup>2</sup> See, e.g., *Order on Filings in Compliance with Order No. 587-U*, 133 FERC ¶ 61,096, at PP 6, 12 (2010) (October 2010 Order). USG Pipeline was granted waiver from NAESB WGQ Version 1.9 Standards pertaining to gas-electric communication protocols until such time as it serves an electric utility. Likewise, it was granted waiver from posting gas quality data until such time as it collects such data.

<sup>3</sup> 18 C.F.R. § 284.12(b) (2013).

<sup>4</sup> 18 C.F.R. pts. 201 and 260 (2013).

<sup>5</sup> In *USG Pipeline Co.*, 98 FERC ¶ 61,231, at 61,928 (2002), the Commission found that segmentation would be infeasible for USG Pipeline's system since USG Pipeline's pipeline is short, with only a single receipt and delivery point.

<sup>6</sup> October 2010 Order, 133 FERC ¶ 61,096 at P 36.

<sup>7</sup> June 2012 Order, 139 FERC ¶ 61,202 at P 7.

<sup>8</sup> *Id.*

<sup>9</sup> *Id.*

6. However, the Commission denied USG Pipeline's request to first file Form 3-Q for calendar year 2012, and directed that it file this form for calendar year 2011.<sup>10</sup> As to its request to begin filing Form 2 and 2-A in 2012, the Commission granted this request, with the exception that it must file Page 1 and Page 520 of Form 2-A for calendar year 2011.<sup>11</sup> In addition, the Commission denied the request to waive the filing of a quarterly index of customers. Finally, the Commission granted USG Pipeline's request to maintain its current waiver of the requirement to offer segmentation, as this is still not feasible for its system.<sup>12</sup>

7. On July 9, 2012, USG Pipeline filed a request for clarification and/or rehearing of the June 2012 Order. USG Pipeline seeks clarification that: (1) the Form 3-Q requirement for 2012 be limited to current-year data (i.e., for activity in 2012) since USG Pipeline only served its affiliate and was not required to collect or submit such data in 2011; and (2) it could either be excused from filing the Form 3-Q for the first quarter or else be permitted to file the Form 3-Q reports for the first quarter and second quarter at the same time. Alternatively, if the Commission determines that the June 2012 Order did not limit the Form 3-Q filing to 2012 data, or that it would not allow the filings to be made on the schedule followed by USG Pipeline, USG Pipeline asks that the Commission grant rehearing to reverse these findings.

8. On September 10, 2012, USG Pipeline filed a supplement informing the Commission that it had filed the Form 3-Q reports for the first and second quarters of 2012 on September 7, 2012.

## **II. Discussion**

9. The events that triggered USG Pipeline being required to file the Form 3-Q reports in 2012 did not occur until 2012. Thus, on reflection we agree with USG Pipeline that, prior to 2012, there was no requirement for USG Pipeline to file the Form 3-Q reports and, in any event, USG Pipeline states that it did not collect data for these operations prior to 2012. This being the case, we will grant USG Pipeline's requested clarification that its Form 3-Q quarterly reports may be based solely on 2012 data.<sup>13</sup>

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<sup>10</sup> *Id.*

<sup>11</sup> *Id.*

<sup>12</sup> *Id.*

<sup>13</sup> A review of the Form 3-Q reports for the first and second quarters of 2012, which USG Pipeline filed on September 7, 2012, shows that it filed these reports based on 2012 data.

10. USG Pipeline also asked for clarification that it could either: (1) be excused from filing the Form 3-Q for the first quarter; or (2) be permitted to file the Form 3-Q reports for the first quarter and second quarter at the same time. In this regard, we will grant USG Pipeline's second request and will allow it to file the Form 3-Q reports for the first quarter and second quarter at the same time, which it did on September 7, 2012.

11. As we are granting USG Pipeline's requested clarifications, we find that its alternative request for rehearing of the June 2012 Order is moot.

The Commission orders:

USG Pipeline's request for clarification is hereby granted and its request for rehearing is hereby dismissed as moot, as discussed in the body of this order.

By the Commission.

( S E A L )

Kimberly D. Bose,  
Secretary.